

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2007-438-E - ORDER NO. 2008-1  
JANUARY 15, 2008

IN RE: Application of Duke Energy Carolinas, LLC for ) ORDER APPROVING  
Approval of Palmetto Clean Energy, Inc. ) PaCE PROGRAM RATE  
("PaCE") Program Rate Schedule ) SCHEDULE WITHOUT  
 ) NOTICE OR HEARING

This matter comes before the Public Service Commission of South Carolina ("Commission") on the application of Duke Energy Carolinas, LLC ("Duke Energy" or "Company") for approval of its rate schedule for the Palmetto Clean Energy, Inc. ("PaCE") program without notice or hearing. Duke Energy also requests that this approval be effective on February 1, 2008.

According to the application, PaCE is a renewable energy program designed to encourage the development of renewable energy resources that improve the environment through reduced greenhouse gas emissions. The Company's customers can elect to fund green power purchases by the three major investor owned utilities in South Carolina, including Duke Energy, Progress Energy Carolinas, Inc., and South Carolina Electric & Gas Company. These contributions will help provide financial incentives for the generators of electricity to develop energy from renewable resources in the State. Duke Energy states that its PaCE program schedule will allow the Company to collect customer contributions and remit them to Palmetto Clean Energy, Inc. that will aggregate customer

demands for specific renewable resources, issue Requests for Proposal for renewable resource generation, and select and contract with Renewable Generators.

Renewable Generators will enter into Power Purchase Agreements with the electric utilities at the utilities' approved avoided cost rate. The Renewable Generator is then responsible for delivering the contracted power to the utilities' grid at which time the utility will pay the Renewable Generator for the power delivered, and the Renewable Generator will report the power it has generated to PaCE. Based on this power generation report, PaCE pays the Renewable Generator the premium specified in the Renewable Generator's contract, provided sufficient funds are available.

We find this program to be in the public interest. Furthermore, Duke Energy conveys that the PaCE program will not require a determination of the entire rate structure or result in an increase in rates to its customers. As such, the Commission determines under S.C. Code Ann. § 58-27-870(F) (Supp. 2007) that Duke Energy's rate schedule for the PaCE program may be put into effect without notice or hearing. Therefore, Duke Energy's rate schedule is approved to be effective as of February 1, 2008.

This Order shall remain in full force and effect until further order of the Commission.

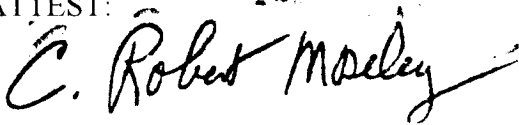
BY ORDER OF THE COMMISSION:



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G. O'Neal Hamilton, Chairman

ATTEST:



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C. Robert Moseley, Vice Chairman

(SEAL)